

MEMORANDUM

To: DDA Board of Directors
From: Rob Bacigalupi, Executive Director *RMB*
Re: September 18, 2015 Board Meeting & Miscellaneous
Date: August 15, 2015

Friday is our Annual Meeting at which officers are chosen. I will open the meeting and start things off. This month, we want to thank our outgoing Board Members, Ross Biederman and Jan Chapman for their many years of service. We also want to welcome two new Board Members, Allison Beers and Gabe Schneider to the DDA Board.

AGENDA ITEM 2 - ELECTION OF OFFICERS

The Executive Committee met to discuss officers for the upcoming year. The preferred slate would have Chuck Judson as Chair, Bill Golden as Vice-Chair, Leah Bagdon-McCallum as Treasurer, and Steve Constantin as Secretary. Of course I will open the floor up for nominations to choose leadership for the next year.

AGENDA ITEM 4A - COMMUNITY DEVELOPMENT REPORT

Jean is on much deserved vacation this week so there is no community development report this month. I do want to thank Jean for all of her efforts in negotiating the land purchase at 145 West Front. This is the culmination of years of work! With the purchase of 145 West Front, we have greater control in fulfilling our responsibility to provide parking on the west end of downtown.

AGENDA ITEM 5A - CONSIDERATION OF RECOMMENDING A NEW MOBILE PAYMENT SOLUTION FOR DOWNTOWN PARKING

Downtown parkers have enjoyed using Parkmobile for over three years now. Parkmobile provides a means for parkers to pay for their spot simply using their smart phone. Parkmobile's service has been provided as a pilot project and as such, we needed to bid out our mobile payment services to see who offers the best service to our customers and the best solution for us. Enclosed is a memorandum from Parking Administrator Nicole VanNess detailing the review of our options and the reason for the recommendation. I recommend the **DDA Board of Directors recommend to City Commission authorizing a three year agreement with Pango USA to provide a mobile payment solution at no cost to the City, a \$0.15 per transaction fee for parkers, and Pango USA to absorb the credit card processing fees and enforcement integration fees.**

AGENDA ITEM 5B - CONSIDERATION OF EXPENDITURE FOR UPTOWN RIVERWALK

Mike Wills, project manager for the Uptown Project, has been working on bids for the public connection to a future riverwalk the DDA committed to funding. Mike and I are meeting Wednesday morning to review bids and plan on bringing a recommendation to you just for a portion of the work that is planned for this fall. I am sorry to not have this for the packet but it has been difficult getting competitive pricing for this project. I plan on having a memorandum for you to put on your desk Friday.

AGENDA ITEM 5C - CONSIDERATION OF REQUEST FROM DOWNTOWN TRAVERSE CITY ASSOCIATION FOR FINANCIAL SUPPORT OF SANTA'S ARRIVAL

As we have done for the previous four years, we budgeted funds to help the DTCA put on Santa's Arrival, which is scheduled for Friday, December 4th. In the past, this community event was funded solely by the DTCA. Because it is a rather costly and clearly a community event (rather than a shopping event

like Shop Your Community Day, Art Walk, etc.), the DDA has chosen to provide funding in recent years. Attached is a request from DTCA President Jeff Joubran asking for \$10,000. Two years ago, the event moved to the City Center Plaza, included a brand new Santa's House, and continues to be a big hit. I recommend that the **DDA Board of Directors approve the reimbursement to the Downtown Traverse City Association of not-to-exceed \$10,000 for actual costs associated with Santa's arrival with funds available in the DDA Operational Budget Community Promotion line item.**

MISCELLANEOUS ITEMS OF INTEREST

Enclosed is the latest version of the Strategic Categories Map. This map identifies the location of projects mentioned in this memo as well as those that are of current interest.

Front Street

FRONT STREET REIMAGINED CROSSWALK - We continue to work with project manager/designer Nate Elkins on the remaining pieces of the crosswalk. We are awaiting the re-fabrication of the street rail, which failed inspection the first time around.

305 WEST FRONT - As you know only too well, the application for 305 West Front has been pulled. Our understanding is that the developers are retooling the project and preparing to address concerns that came up with their now withdrawn proposal.

Warehouse District

GARLAND STREET - The last reviews are being done on an agreement that we expect to get in Traverse City Tourism's hands in the next couple weeks.

Bayfront/River

FARMERS MARKET PLAN - We are ordering geotechnical testing at the farmers market site to better assess costs for the farmers market plan. In addition, the fundraising committee will be meeting soon to continue their efforts.

PINE STREET PEDESTRIAN WAY - The City Engineering Department is waiting on an Army Corps of Engineer permit that was applied for in May for the bridge. Otherwise non-bridge work continues.

Other

DOWNTOWN GROWING PAINS - The proposed then pulled project at 305 West Front has sparked debate about growth in downtown. Traverse City has always had a very engaged public who cares very deeply about their community. Some of the discussion, however, lacks a thorough perspective which spurs misconceptions that will not lead to sound decisions. I am working with City staff to provide factual information on subjects such as TIF, Traverse City's Master Plan and Zoning Ordinance, and the DDA's planning efforts. As an organization, the DDA may choose to get involved in other ways as well. Though many of you have surely seen some of these, I am including a recent article in Crain's Detroit Business (also Bridge Magazine) that speaks to our housing woes, as well as two forum articles, one by our own Rick Korndorfer and another opposing view by another realtor, Jack Lane.

CITY CAPITAL IMPROVEMENT PLANNING - Speaking of planning, the City's CIP Committee met today and discussed the process for the upcoming year. I've attached our latest capital improvement plan for your information. One of the questions for the Board to ponder is whether we want to go through a more thorough goal setting session as we have done in the past, or do you believe the current plan is fairly on track.

40 UNDER 40 - Congratulations to the Traverse City Downtown Development Authority's many *40 Under 40* winners! Three of our current board members, Leah Bagdon-McCallum, Allison Beers, and

Gabe Schneider are winners, as is past board member Nate Elkins. In addition, once again, our Deputy and Marketing Director, Colleen Paveglio makes the list! Congratulations to these and all of the winners.

WEBSITE VIDEOS - DDA Staff is in the midst of working with consultant Novum Productions on the downtown website redo. Nick Viox in particular has been spending much time on the street and in stores making videos.

FARMERS MARKET ADVISORY BOARD MEETING - The next meeting is scheduled for Monday September 21 at 9 a.m., will take place at the Governmental Center, and will include election of officers.

AUDIT - I have been gearing up for the audit. Hoped to have DDA and TIF financials this month but there is a little more wrap up needed. Auditors should be in our office by the end of September.

SPEAKING ENGAGEMENTS - I presented to the Sunrise Rotary Club on Wednesday September 9 and talked about the DDA and what are doing. If you know of a service club who is looking for a speaker, I am always happy to share our story. With the Michigan Municipal League in town, I will leading a mobile workshop Thursday afternoon discussing how public engagement leads to a vibrant downtown.

WEST FRONT GRAND OPENING - Deputy/Marketing Director Colleen Paveglio is working with the Chamber and other partners on a Grand Opening for the West Front corridor to celebrate the completion of that construction project.

TIF 2 RESET - Jean has been working with Tim Nelson to set a meeting of taxing authorities. It is looking like the meeting will be the last week of October.

PARKING SYSTEM UPDATE - Parking Administrator Nicole VanNess has prepared a brief parking system update which is attached. This is a follow up on the report included in last month's packet.

TCPS REPORTS - The latest reports for the Hardy and Old Town garages are attached.

DDA/DTCA AGREEMENT - The DDA Board approved at the August meeting a three-year renewal of our agreement with the Downtown Traverse City Association. I am happy to report that the DTCA Board unanimously approved the same renewal at their September 10, 2015 meeting.

DTCA BOARD MINUTES - Enclosed are the minutes from the August DTCA meeting.

cc: City Manager
Traverse City City Commissioners

DOWNTOWN DEVELOPMENT AUTHORITY ANNUAL MEETING AGENDA
Friday, September 18, 2015, 8:00 a.m.
Commission Chambers, Second Floor
Governmental Center, 400 Boardman Avenue, Traverse City
www.downtowntc.com

Information and minutes are available from the DDA Director, 303 East State Street, Suite C, Traverse City, MI 49684, (231) 922-2050. If you are planning to attend the meeting and are handicapped requiring special assistance; please notify the DDA Director as soon as possible.

1. Roll Call
2. Election of Officers
3. Consent Calendar - The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the board, staff, or public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected.
 - A. Consideration of minutes for the Regular Meeting of August 21, 2015, and Special Meeting of August 24, 2015. (approval recommended)
 - B. Consideration of approving Financial Reports (unaudited) for Traverse City Parking Services dated June 30, 2015, July 31, 2015 and August 31, 2015 (approval recommended)
4. Chairperson's Report
 - A. Community Development Report
 - B. Comments or Questions regarding Written Reports
5. Executive Director's Report
 - A. Consideration of recommending a new mobile payment solution for parking
 - B. Consideration of authorizing expenditure for Uptown Riverwalk
 - C. Consideration of request from the Downtown Traverse City Association for financial support of Santa's Arrival
6. Public Comment
7. Adjournment

The Traverse City Downtown Development Authority does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. The DDA Executive Director has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the DDA office.

Minutes
Traverse City Downtown Development Authority
Regular Meeting
August 21, 2015
Commission Chambers, Second Floor
Governmental Center, 400 Boardman Avenue, Traverse City

Chairperson Steve Constantin called the meeting to order at 8:00 a.m.

1. Roll Call

Present: Ross Biederman, Harry Burkholder, Jan Chapman, Steve Constantin, John DiGiacomo, Bill Golden, Mayor Michael Estes, T. Michael Jackson, Chuck Judson, Rick Korndorfer, Joe Winowiecki

Absent: Leah Bagdon-McCallum

2. Consent Calendar. **Motion by Jackson, seconded by Korndorfer that the consent portion of the agenda be approved as presented.**

- a. **Approval of minutes of the Regular Meeting of July 17, 2015 as amended.**
- b. **Approval to authorize the Chairperson and Secretary to execute the Second Amendment to Letter of Agreement to Executive Director subject to approval as to form by the DDA General Counsel.**
- c. **Approval of a budget amendment to transfer \$15,000 from professional services to salaries and wages**
- d. **Approval of the Employee Handbook changes to reflect the new pay period.**
- e. **Approval to authorize a \$1,000 contribution to the City of Traverse City for the Michigan Municipal League conference Host City Reception to take place on Wednesday, September 16 with funds available in the professional/contractual line item.**

3. Chairperson's Report

- a. Appointment of Farmers Market Advisory Board Member
 - i. **Motion by Judson, seconded by Golden that the DDA Board of Directors concur with Chairperson Constantin's recommendation that Sue Kurta be appointed to the Farmers Market Advisory Board. Motion carried unanimously.**
- b. Community Development Report
 - i. Jean Derenzy reviewed written report
- c. Comments or Questions regarding Written Reports
 - i. DiGiacomo and Golden to be absent at the August 24, 2015 meeting
 - ii. Lower Boardman River

4. Executive Director's Report

- a. Presentation by Traverse City Light & Power regarding downtown WiFi system.
 - i. Scott Menhard, Traverse City Light & Power, and Jim Selby, Aspen Wireless presented to the DDA Board
- b. Consideration of continuing restroom program with Espresso Bay, Subway, Great Lakes Bath & Body, and Milk & Honey (formerly known as Cherry Cone), and adding Morsels.
 - i. **Motion by Chapman, seconded by Burkholder that the DDA Board of Directors authorize the Chairperson and Secretary to extend the restroom subsidy agreements with Espresso Bay, Subway, Great Lakes Bath & body, and Milk & Honey for another year under the same terms and add Morsels as recommended by the Restroom Committee. Motion carried unanimously.**
- c. Consideration of authorizing a three-year renewal of DDA/DTCA contract with a 3.5% annual increase.
 - i. **Motion by Chapman, seconded by Jackson that the DDA Board of Directors authorize a three-year renewal of the Agreement for Management Services between the DTCA and DDA. Motion carried unanimously.**
- d. Consideration of approving reimbursement to Grand Traverse County for Tax Tribunals – TIF 97.
 - i. **Motion by Jackson, seconded by Golden that the DDA Board of Directors authorize payment of \$12,782.59 to Grand Traverse County for Michigan Tax Tribunal Board of Review adjustments for 106 E. Front (The City Opera House) out of the TIF 97 fund. Motion carried unanimously.**

5. Comments from Staff and Board of Directors

- a. Jackson commented on the Perry Hannah Statue dedication ceremony at 4 pm on August 24.
- b. Judson commented on pay stations on our website
- c. Burkholder commented DDA Summer Intern Kevin Chung and commented on the Hall Street Visioning session
- d. Burkholder commented on Clinch Park

6. Public Comment

- a. None at this time

7. Adjournment. The meeting officially adjourned at 9:14 a.m.

Respectfully submitted,

Minutes
Traverse City Downtown Development Authority
Joint Special Meeting with the City Commission

Monday, August 24, 2015
Commission Chambers, 2nd Floor
400 Boardman Avenue, Traverse City

Chairperson Constantin called the meeting to order at 5:30 p.m.

1. Roll Call

Present: Leah Bagdon-McCallum, Ross Biederman, Harry Burkholder, Jan Chapman, Steve Constantin, Mayor Michael Estes, T. Michael Jackson, Charles Judson, Rick Korndorfer, Joe Winowiecki.

Absent: John Di Giacomo, Bill Golden.

2. Consideration of the possible purchase of real estate and entering into closed session to discuss an attorney-client privileged communication.. **Moved by Judson, seconded by Biederman, that the DDA Board enter into closed session immediately following the public comment portion of the agenda to consider the written attorney-client privileged communication, as allowed by MCL 15.267(h)**

Roll Call:

Yes - Winowiecki, Korndorfer, Jackson, Chapman, Burkholder, Biederman, Bagdon-McCallum, Judson, Constantin

No - None.

The DDA Board entered into closed session at 5:32 p.m.

The DDA Board returned to open session at 6:58 p.m.

3. Public Comment. There was none.
4. Adjournment. The meeting adjourned at 5:28 p.m.

Respectfully submitted,

Rob Bacigalupi
Executive Director

RUN DATE: 9/15/15

CITY OF TRAVERSE CITY
L I N E I T E M S A S O F 06/30/2015

PAGE 1

SELECTION: FUND RANGE 585 TO 585
LINE ITEM RANGE 400.00 TO 999.99
DEPARTMENTS

	INITIAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	THIS MONTH	THIS YEAR	CURRENT ENCUMBRANCES	BUDGET BALANCE	% EXPENDED / REALIZED
451.73 RAMSDELL GATE FEES	.00	.00	.00	.00	1019.00	.00	1019.00-	N/A
502.00 FEDERAL GRANTS	.00	.00	.00	.00	.00	.00	.00	N/A
651.00 PARKING DECK PROCEEDS	245000.00	.00	245000.00	34176.35	321539.14	.00	76539.14-	131.24
652.00 PARKING FEES-COIN	650000.00	.00	650000.00	139466.84	841637.90	.00	191637.90-	129.48
653.00 PERMITS-SURFACE LOTS	220000.00	.00	220000.00	7434.08	212789.33	.00	7210.67	96.72
653.05 PERMITS-PARKING DECK	370000.00	.00	370000.00	11077.77	537648.77	.00	167648.77-	145.31
653.07 PERMITS-NEIGHBORHOOD	.00	.00	.00	.00	.00	.00	.00	N/A
653.10 PROXIMITY CARD FEE	.00	.00	.00	.00	.00	.00	.00	N/A
656.10 PARKING FINES	315000.00	.00	315000.00	38127.51	399422.96	.00	84422.96-	126.80
656.20 PARKING FINES-AIRPORT	.00	.00	.00	.00	.00	.00	.00	N/A
656.30 PARKING FINES-COLLEGE	.00	.00	.00	.00	85.00	.00	85.00-	N/A
664.00 INTEREST & DIVIDEND EARNINGS	3500.00	.00	3500.00	1427.89	3099.51	.00	400.49	88.56
668.00 RENTS AND ROYALTIES	26300.00	.00	26300.00	3516.00	23665.00	.00	2635.00	89.98
673.00 SALE OF FIXED ASSETS	.00	.00	.00	.00	1433.93	.00	1433.93-	N/A
674.00 CONTRIBUTIONS-PUBLIC SOURCES	.00	.00	.00	.00	.00	.00	.00	N/A
675.00 CONTRIBUTIONS-PRIVATE SOURCE	.00	.00	.00	.00	12500.00	.00	12500.00-	N/A
677.00 REIMBURSEMENTS	1000.00	.00	1000.00	.00	3800.00	.00	2800.00-	380.00
683.00 RECOVERY OF BAD DEBTS	1000.00	.00	1000.00	.00	.00	.00	1000.00	.00
686.00 MISCELLANEOUS INCOME	1500.00	.00	1500.00	40.00	3938.99	.00	2438.99-	262.60
687.00 REFUNDS AND REBATES	.00	.00	.00	.00	.00	.00	.00	N/A
694.00 OTHER INCOME	.00	.00	.00	.00	147.00	.00	147.00-	N/A
699.00 PRIOR YEARS' SURPLUS	665550.00	.00	665550.00	.00	.00	.00	665550.00	.00
702.00 SALARIES AND WAGES	55000.00	.00	55000.00	5460.72	48846.23	.00	6153.77	88.81
704.00 EMPLOYEE OVERTIME	6000.00	.00	6000.00	.00	4208.24	.00	1791.76	70.14
706.00 FRINGE BENEFIT RECOVERY	.00	.00	.00	.00	.00	.00	.00	N/A
714.00 HEALTH SAVINGS ACCT EXPENSE	1400.00	.00	1400.00	.00	1548.34	.00	148.34-	110.60
715.00 EMPLOYER'S SOCIAL SECURITY	5700.00	.00	5700.00	397.06	4241.65	.00	1458.35	74.41
716.00 EMPLOYEE HEALTH INSURANCE	5300.00	.00	5300.00	430.38	6273.57	.00	973.57-	118.37
717.00 EMPLOYEE LIFE/DISABILITY INS	700.00	.00	700.00	63.54	887.32	.00	187.32-	126.76
718.00 RETIREMENT FUND CONTRIBUTION	9500.00	.00	9500.00	690.40	6821.80	.00	2678.20	71.81
719.00 RETIREES HOSPITALIZATION INS	.00	.00	.00	.00	.00	.00	.00	N/A
720.00 UNEMPLOYMENT COMPENSATION	150.00	.00	150.00	50.98	133.94	.00	16.06	89.29
721.00 WORKERS COMPENSATION INS	1400.00	.00	1400.00	45.26	486.30	.00	913.70	34.74
727.00 OFFICE SUPPLIES	6000.00	.00	6000.00	861.26	6811.83	.00	811.83-	113.53

RUN DATE: 9/15/15

CITY OF TRAVERSE CITY
LINE ITEMS AS OF 06/30/2015

PAGE 2

SELECTION: FUND RANGE 585 TO 585
LINE ITEM RANGE 400.00 TO 999.99
DEPARTMENTS

	INITIAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	THIS MONTH	THIS YEAR	CURRENT ENCUMBRANCES	BUDGET BALANCE	% EXPENDED / REALIZED
740.00 OPERATION SUPPLIES	10000.00	.00	10000.00	6471.74	27487.38	.00	17487.38-	274.87
801.00 PROFESSIONAL AND CONTRACTUAL	635000.00	.00	635000.00	66470.91	666264.39	.00	31264.39-	104.92
810.00 COLLECTION COSTS	1000.00	.00	1000.00	382.32	2929.64	.00	1929.64-	292.96
850.00 COMMUNICATIONS	24000.00	.00	24000.00	2335.22	22156.57	.00	1843.43	92.32
854.00 CITY FEE	187000.00	.00	187000.00	.00	.00	.00	187000.00	.00
860.00 TRANSPORTATION	8000.00	.00	8000.00	352.78	4465.85	.00	3534.15	55.82
862.00 PROFESSIONAL DEVELOPMENT	8000.00	.00	8000.00	1990.00	5525.67	.00	2474.33	69.07
863.00 TRAINING	2000.00	.00	2000.00	.00	442.26	.00	1557.74	22.11
880.00 COMMUNITY PROMOTION	200.00	.00	200.00	.00	40.00	.00	160.00	20.00
900.00 PRINTING AND PUBLISHING	17000.00	.00	17000.00	4117.53	15369.05	.00	1630.95	90.41
910.00 INSURANCE AND BONDS	21000.00	.00	21000.00	1945.92	24286.34	.00	3286.34-	115.65
920.00 PUBLIC UTILITIES	150000.00	.00	150000.00	12407.04	127212.12	.00	22787.88	84.81
930.00 REPAIRS AND MAINTENANCE	400000.00	.00	400000.00	10970.91	71250.34	.00	328749.66	17.81
930.05 RAMSDELL GATE REPAIR & MAINT	.00	.00	.00	.00	500.00	.00	500.00-	N/A
940.00 RENTAL EXPENSE	160000.00	.00	160000.00	13527.70	166445.28	.00	6445.28-	104.03
956.00 MISCELLANEOUS	10500.00	.00	10500.00	.00	11210.80	.00	710.80-	106.77
959.00 DEPRECIATION EXPENSE	429000.00	.00	429000.00	35028.33	420339.96	.00	8660.04	97.98
964.00 TRANSFERS OUT	.00	.00	.00	.00	.00	.00	.00	N/A
977.00 EQUIPMENT	345000.00	.00	345000.00	2631.15	290672.82	.00	54327.18	84.25
988.00 UNALLOCATED FUNDS	.00	.00	.00	.00	.00	.00	.00	N/A
GRAND TOTALS	4997700.00	.00	4997700.00	401897.59	4299584.22	.00	698115.78	86.03

RUN DATE: 9/15/15

CITY OF TRAVERSE CITY
LINE ITEMS AS OF 07/31/2015

PAGE 1

SELECTION: FUND RANGE 585 TO 585
LINE ITEM RANGE 400.00 TO 999.99
DEPARTMENTS

	INITIAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	THIS MONTH	THIS YEAR	CURRENT ENCUMBRANCES	BUDGET BALANCE	% EXPENDED / REALIZED
451.73 RAMSDELL GATE FEES	.00	.00	.00	100.00	100.00	.00	100.00-	N/A
651.00 PARKING DECK PROCEEDS	345000.00	.00	345000.00	76205.00	76205.00	.00	268795.00	22.09
652.00 PARKING FEES-COIN	800000.00	.00	800000.00	104348.08	104348.08	.00	695651.92	13.04
653.00 PERMITS-SURFACE LOTS	240000.00	.00	240000.00	18814.00	18814.00	.00	221186.00	7.84
653.05 PERMITS-PARKING DECK	440000.00	.00	440000.00	17757.05	17757.05	.00	422242.95	4.04
653.07 PERMITS-NEIGHBORHOOD	.00	.00	.00	.00	.00	.00	.00	N/A
653.10 PROXIMITY CARD FEE	.00	.00	.00	.00	.00	.00	.00	N/A
656.10 PARKING FINES	335000.00	.00	335000.00	31588.22	31588.22	.00	303411.78	9.43
656.30 PARKING FINES-COLLEGE	.00	.00	.00	.00	.00	.00	.00	N/A
664.00 INTEREST & DIVIDEND EARNINGS	3700.00	.00	3700.00	.00	.00	.00	3700.00	.00
668.00 RENTS AND ROYALTIES	26300.00	.00	26300.00	3516.00	3516.00	.00	22784.00	13.37
673.00 SALE OF FIXED ASSETS	.00	.00	.00	.00	.00	.00	.00	N/A
674.00 CONTRIBUTIONS-PUBLIC SOURCES	25000.00	.00	25000.00	.00	.00	.00	25000.00	.00
675.00 CONTRIBUTIONS-PRIVATE SOURCE	10000.00	.00	10000.00	.00	.00	.00	10000.00	.00
677.00 REIMBURSEMENTS	.00	.00	.00	.00	.00	.00	.00	N/A
683.00 RECOVERY OF BAD DEBTS	.00	.00	.00	.00	.00	.00	.00	N/A
686.00 MISCELLANEOUS INCOME	.00	.00	.00	340.00	340.00	.00	340.00-	N/A
687.00 REFUNDS AND REBATES	.00	.00	.00	.00	.00	.00	.00	N/A
694.00 OTHER INCOME	.00	.00	.00	.00	.00	.00	.00	N/A
699.00 PRIOR YEARS' SURPLUS	671100.00	.00	671100.00	.00	.00	.00	671100.00	.00
702.00 SALARIES AND WAGES	70000.00	.00	70000.00	2784.49	2784.49	.00	67215.51	3.98
704.00 EMPLOYEE OVERTIME	5000.00	.00	5000.00	.00	.00	.00	5000.00	.00
706.00 FRINGE BENEFIT RECOVERY	.00	.00	.00	.00	.00	.00	.00	N/A
714.00 HEALTH SAVINGS ACCT EXPENSE	1500.00	.00	1500.00	1358.13	1358.13	.00	141.87	90.54
715.00 EMPLOYER'S SOCIAL SECURITY	5800.00	.00	5800.00	210.68	210.68	.00	5589.32	3.63
716.00 EMPLOYEE HEALTH INSURANCE	4900.00	.00	4900.00	375.56	375.56	.00	4524.44	7.66
717.00 EMPLOYEE LIFE/DISABILITY INS	700.00	.00	700.00	58.64	58.64	.00	641.36	8.38
718.00 RETIREMENT FUND CONTRIBUTION	12800.00	.00	12800.00	.00	.00	.00	12800.00	.00
719.00 RETIREES HOSPITALIZATION INS	.00	.00	.00	.00	.00	.00	.00	N/A
720.00 UNEMPLOYMENT COMPENSATION	200.00	.00	200.00	.00	.00	.00	200.00	.00
721.00 WORKERS COMPENSATION INS	1500.00	.00	1500.00	.00	.00	.00	1500.00	.00
727.00 OFFICE SUPPLIES	7000.00	.00	7000.00	268.49	268.49	.00	6731.51	3.84
740.00 OPERATION SUPPLIES	46000.00	.00	46000.00	.00	.00	2166.00	43834.00	.00
801.00 PROFESSIONAL AND CONTRACTUAL	955000.00	.00	955000.00	7189.32	7189.32	.00	947810.68	.75

RUN DATE: 9/15/15

CITY OF TRAVERSE CITY
LINE ITEMS AS OF 07/31/2015

PAGE 2

SELECTION: FUND RANGE 585 TO 585
LINE ITEM RANGE 400.00 TO 999.99
DEPARTMENTS

	INITIAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	THIS MONTH	THIS YEAR	CURRENT ENCUMBRANCES	BUDGET BALANCE	% EXPENDED / REALIZED
810.00 COLLECTION COSTS	2000.00	.00	2000.00	3.00	3.00	.00	1997.00	.15
850.00 COMMUNICATIONS	24000.00	.00	24000.00	364.07	364.07	.00	23635.93	1.52
854.00 CITY FEE	220000.00	.00	220000.00	.00	.00	.00	220000.00	.00
860.00 TRANSPORTATION	8000.00	.00	8000.00	412.77	412.77	.00	7587.23	5.16
862.00 PROFESSIONAL DEVELOPMENT	8000.00	.00	8000.00	.00	.00	.00	8000.00	.00
863.00 TRAINING	2000.00	.00	2000.00	.00	.00	.00	2000.00	.00
880.00 COMMUNITY PROMOTION	200.00	.00	200.00	.00	.00	.00	200.00	.00
900.00 PRINTING AND PUBLISHING	22000.00	.00	22000.00	87.50-	87.50-	.00	22087.50	.40-
910.00 INSURANCE AND BONDS	21000.00	.00	21000.00	.00	.00	.00	21000.00	.00
920.00 PUBLIC UTILITIES	150000.00	.00	150000.00	.00	.00	.00	150000.00	.00
930.00 REPAIRS AND MAINTENANCE	572000.00	.00	572000.00	2441.25	2441.25	.00	569558.75	.43
930.05 RAMSDELL GATE REPAIR & MAINT	1000.00	.00	1000.00	.00	.00	.00	1000.00	.00
940.00 RENTAL EXPENSE	119000.00	.00	119000.00	8165.00	8165.00	.00	110835.00	6.86
956.00 MISCELLANEOUS	10500.00	.00	10500.00	6735.28	6735.28	.00	3764.72	64.15
959.00 DEPRECIATION EXPENSE	429000.00	.00	429000.00	.00	.00	.00	429000.00	.00
964.00 TRANSFERS OUT	.00	.00	.00	.00	.00	.00	.00	N/A
977.00 EQUIPMENT	197000.00	.00	197000.00	4828.00	4828.00	.00	192172.00	2.45
988.00 UNALLOCATED FUNDS	.00	.00	.00	.00	.00	.00	.00	N/A
GRAND TOTALS	5792200.00	.00	5792200.00	287775.53	287775.53	2166.00	5502258.47	4.97

RUN DATE: 9/15/15

CITY OF TRAVERSE CITY
LINE ITEMS AS OF 08/31/2015

PAGE 1

SELECTION: FUND RANGE 585 TO 585
LINE ITEM RANGE 400.00 TO 999.99
DEPARTMENTS

	INITIAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	THIS MONTH	THIS YEAR	CURRENT ENCUMBRANCES	BUDGET BALANCE	% EXPENDED / REALIZED
451.73 RAMSDELL GATE FEES	.00	.00	.00	.00	100.00	.00	100.00-	N/A
651.00 PARKING DECK PROCEEDS	345000.00	.00	345000.00	64236.40	140441.40	.00	204558.60	40.71
652.00 PARKING FEES-COIN	800000.00	.00	800000.00	235634.96	339983.04	.00	460016.96	42.50
653.00 PERMITS-SURFACE LOTS	240000.00	.00	240000.00	8346.67	27160.67	.00	212839.33	11.32
653.05 PERMITS-PARKING DECK	440000.00	.00	440000.00	3711.75	21468.80	.00	418531.20	4.88
653.07 PERMITS-NEIGHBORHOOD	.00	.00	.00	.00	.00	.00	.00	N/A
653.10 PROXIMITY CARD FEE	.00	.00	.00	.00	.00	.00	.00	N/A
656.10 PARKING FINES	335000.00	.00	335000.00	34316.75	65904.97	.00	269095.03	19.67
656.30 PARKING FINES-COLLEGE	.00	.00	.00	.00	.00	.00	.00	N/A
664.00 INTEREST & DIVIDEND EARNINGS	3700.00	.00	3700.00	.00	.00	.00	3700.00	.00
668.00 RENTS AND ROYALTIES	26300.00	.00	26300.00	3516.00	7032.00	.00	19268.00	26.74
673.00 SALE OF FIXED ASSETS	.00	.00	.00	.00	.00	.00	.00	N/A
674.00 CONTRIBUTIONS-PUBLIC SOURCES	25000.00	.00	25000.00	.00	.00	.00	25000.00	.00
675.00 CONTRIBUTIONS-PRIVATE SOURCE	10000.00	.00	10000.00	.00	.00	.00	10000.00	.00
677.00 REIMBURSEMENTS	.00	.00	.00	.00	.00	.00	.00	N/A
683.00 RECOVERY OF BAD DEBTS	.00	.00	.00	.00	.00	.00	.00	N/A
686.00 MISCELLANEOUS INCOME	.00	.00	.00	60.00	400.00	.00	400.00-	N/A
687.00 REFUNDS AND REBATES	.00	.00	.00	900.00	900.00	.00	900.00-	N/A
694.00 OTHER INCOME	.00	.00	.00	.00	.00	.00	.00	N/A
699.00 PRIOR YEARS' SURPLUS	671100.00	.00	671100.00	.00	.00	.00	671100.00	.00
702.00 SALARIES AND WAGES	70000.00	.00	70000.00	2149.55	4934.04	.00	65065.96	7.05
704.00 EMPLOYEE OVERTIME	5000.00	.00	5000.00	.00	.00	.00	5000.00	.00
706.00 FRINGE BENEFIT RECOVERY	.00	.00	.00	.00	.00	.00	.00	N/A
714.00 HEALTH SAVINGS ACCT EXPENSE	1500.00	.00	1500.00	.00	1358.13	.00	141.87	90.54
715.00 EMPLOYER'S SOCIAL SECURITY	5800.00	.00	5800.00	154.01	364.69	.00	5435.31	6.29
716.00 EMPLOYEE HEALTH INSURANCE	4900.00	.00	4900.00	361.37	736.93	.00	4163.07	15.04
717.00 EMPLOYEE LIFE/DISABILITY INS	700.00	.00	700.00	57.29	115.93	.00	584.07	16.56
718.00 RETIREMENT FUND CONTRIBUTION	12800.00	.00	12800.00	.00	.00	.00	12800.00	.00
719.00 RETIREES HOSPITALIZATION INS	.00	.00	.00	.00	.00	.00	.00	N/A
720.00 UNEMPLOYMENT COMPENSATION	200.00	.00	200.00	.00	.00	.00	200.00	.00
721.00 WORKERS COMPENSATION INS	1500.00	.00	1500.00	.00	.00	.00	1500.00	.00
727.00 OFFICE SUPPLIES	7000.00	.00	7000.00	282.48	550.97	.00	6449.03	7.87
740.00 OPERATION SUPPLIES	46000.00	.00	46000.00	2022.76	2022.76	2166.00	41811.24	4.40
801.00 PROFESSIONAL AND CONTRACTUAL	955000.00	.00	955000.00	89489.85	96679.17	.00	858320.83	10.12

RUN DATE: 9/15/15

CITY OF TRAVERSE CITY
L I N E I T E M S A S O F 08/31/2015

PAGE 2

SELECTION: FUND RANGE 585 TO 585
LINE ITEM RANGE 400.00 TO 999.99
DEPARTMENTS

	INITIAL BUDGET	BUDGET ADJUSTMENTS	ADJUSTED BUDGET	THIS MONTH	THIS YEAR	CURRENT ENCUMBRANCES	BUDGET BALANCE	% EXPENDED / REALIZED
810.00 COLLECTION COSTS	2000.00	.00	2000.00	20.12	23.12	.00	1976.88	1.16
850.00 COMMUNICATIONS	24000.00	.00	24000.00	638.23	1002.30	.00	22997.70	4.18
854.00 CITY FEE	220000.00	.00	220000.00	.00	.00	.00	220000.00	.00
860.00 TRANSPORTATION	8000.00	.00	8000.00	311.21	723.98	.00	7276.02	9.05
862.00 PROFESSIONAL DEVELOPMENT	8000.00	.00	8000.00	.00	.00	.00	8000.00	.00
863.00 TRAINING	2000.00	.00	2000.00	.00	.00	.00	2000.00	.00
880.00 COMMUNITY PROMOTION	200.00	.00	200.00	.00	.00	.00	200.00	.00
900.00 PRINTING AND PUBLISHING	22000.00	.00	22000.00	1142.50	1055.00	.00	20945.00	4.80
910.00 INSURANCE AND BONDS	21000.00	.00	21000.00	.00	.00	.00	21000.00	.00
920.00 PUBLIC UTILITIES	150000.00	.00	150000.00	1627.59	1627.59	.00	148372.41	1.09
930.00 REPAIRS AND MAINTENANCE	572000.00	.00	572000.00	2301.13	4742.38	.00	567257.62	.83
930.05 RAMSDELL GATE REPAIR & MAINT	1000.00	.00	1000.00	150.00	150.00	.00	850.00	15.00
940.00 RENTAL EXPENSE	119000.00	.00	119000.00	7365.00	15530.00	.00	103470.00	13.05
956.00 MISCELLANEOUS	10500.00	.00	10500.00	.00	6735.28	.00	3764.72	64.15
959.00 DEPRECIATION EXPENSE	429000.00	.00	429000.00	.00	.00	.00	429000.00	.00
964.00 TRANSFERS OUT	.00	.00	.00	.00	.00	.00	.00	N/A
977.00 EQUIPMENT	197000.00	.00	197000.00	.00	4828.00	.00	192172.00	2.45
988.00 UNALLOCATED FUNDS	.00	.00	.00	.00	.00	.00	.00	N/A
GRAND TOTALS	5792200.00	.00	5792200.00	458795.62	746571.15	2166.00	5043462.85	12.89



Memorandum

To: Rob Bacigalupi, DDA Executive Director
From: Nicole VanNess, Parking Administrator
Date: August 17, 2015
Re: Mobile Payment Vendor – Pango USA

In March, we issued a RFP in order to evaluate the existing mobile payment pilot project that allows customers to pay with a mobile application on their cell phones, through a phone call to the vendor, or by a web application. A review Committee comprised of Brian Postma, Deputy Treasurer/Auditor; John Di Giacomo, DDA Board Member; and Mike Helferich, Amy Russell, and myself from Parking Services have spent the summer months reviewing RFP responses from mobile payment vendors. Before scheduling demonstrations, the Committee decided to issue an Addendum requesting vendors to act as the MOR (Merchant of Record).

Four of the five bidding vendors were asked to demonstrate the back-office software. The key components of the demonstrations included navigation of real-time transactions, financial reporting as requested by the City Treasurer's Office, access to user account history, and ease of software configuration. Across the board all vendor's customer facing components like website registration and account access, mobile application, and call-in features were similar. We focused on employee usability, and the back-office software is where the vendors differ. It is important that our employees have access to real-time data in order to address customer inquiries, reduce the amount of time to resolve issues, and improve customer satisfaction. All vendors were able to exhibit using the data to a certain degree, but one vendor's software validated the transparency of mobile transaction activity.

The Committee has concluded that Pango USA would improve our visibility into mobile payment transactions, and provide valuable data that can be used for inquiries and reporting. The public will also benefit with a reduced per transaction fee of 20 cents from \$0.35 to \$0.15. Pango will act as the MOR and absorb any credit card processing fees which means the service is truly free to the City. Pango USA will work with T2 Systems to establish an integration with the T2 Flex Enforcement application. The City will not be charged for the development effort. Converting to Pango USA will be an adjustment for our parkers and employees. We will work with Pango on a marketing plan for a smooth transition.



Memorandum

I recommend the DDA Board of Directors authorize a three year agreement with Pango USA to provide a mobile payment solution at no cost to the City, a \$0.15 per transaction fee for parkers, and Pango USA to absorb the credit card processing fees and enforcement integration fees. The agreement shall not take effect until we have confirmation of an integration between Pango USA and T2 Systems for the T2 Flex Enforcement application.



September 15, 2015

DDA Board of Directors
PO Box 42
Traverse City, MI 49685

DDA Board of Directors:

We greatly appreciate that the DDA Board has unanimously voted to financially support the annual Santa's Arrival and Community Tree Lighting event since 2011. The 2014 season was successful as we continued with the new Santa House from the previous year being placed at City Centre Plaza. The Tree Lighting, music and live entertainment are also being planned for the 100 and 200 block of E. Front St. The DTCA continues to host many community events in Downtown Traverse City annually, and expenses continue rise as we work with a limited budget. We are again seeking your support this year in the amount of \$10,000. This financial partnership will continue this holiday family tradition in Downtown Traverse City. Please find the draft outline of expenses requested to be supported by the DDA and feel free to contact Colleen Paveglio or myself if you have any questions.

Sincerely,

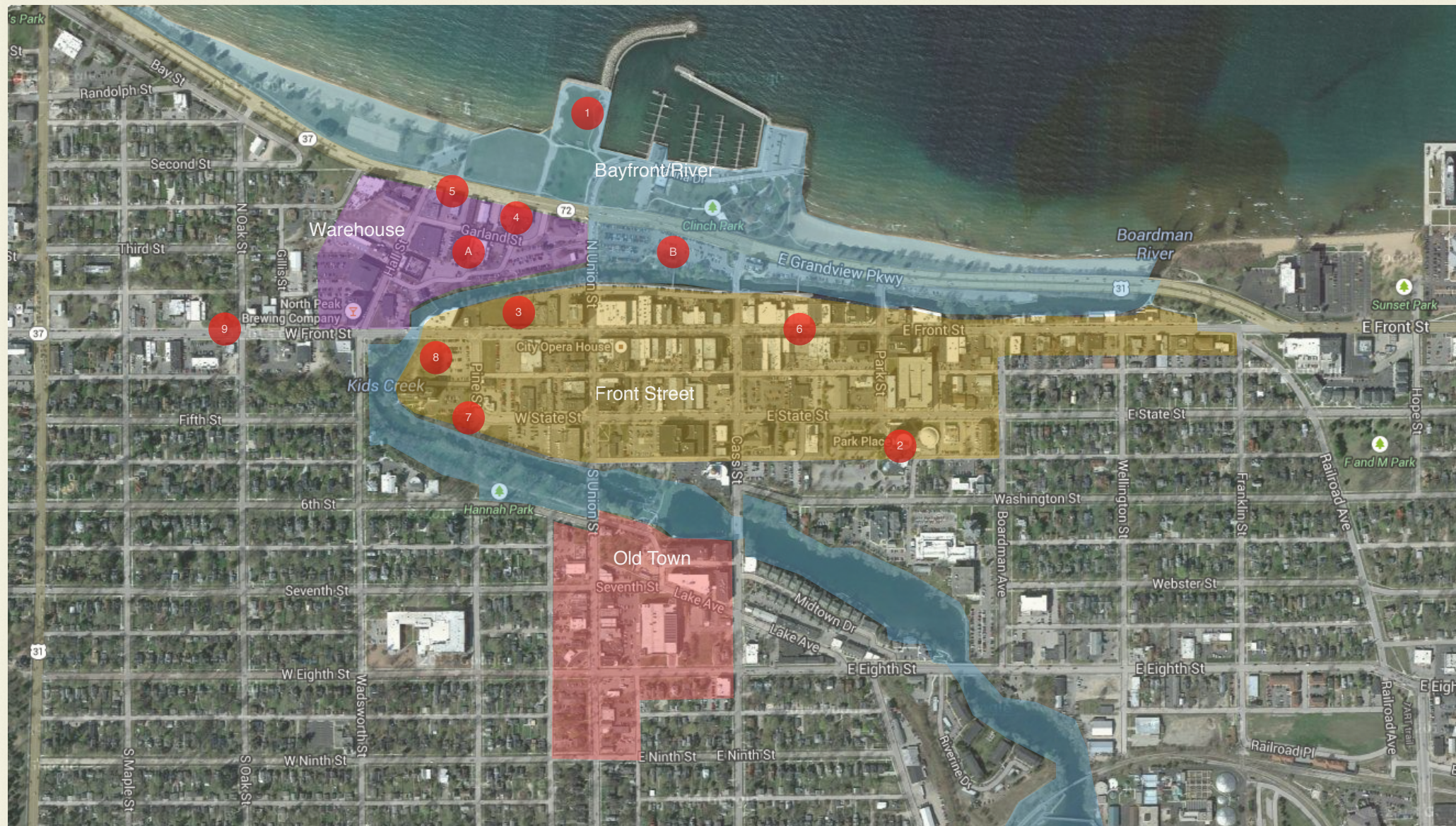
A handwritten signature in dark ink, appearing to read "Jeff Joubran", with a stylized flourish at the end.

Jeff Joubran
DTCA President

Enclosure

**Santa's Arrival Community Tree Lighting
2015 Draft Budget**

Company	Expense
Bridgeway Power	600
GJ's (Staging/Tent)	2,750
Hoxsie Reindeer	600
Security Sanitation	200
Sound Environments	500
Live Music	1,750
Additional Entertainment	1,000
Ice Demo	550
Santa	250
Miscellaneous Décor	1,000
Emcee Services	75
Grand Traverse Chorus	400
	9675



1. MML Host City Reception (Open Space)
2. Park Place
3. 124 West Front
4. Grandview Place
5. Hotel Indigo
6. 200 Block Crosswalk

7. Uptown Riverwalk Connection
8. 305 West Front
9. West Front Project
- A. Garland Street/Pine Street Pedway
- B. Farmers Market

Originally Published: September 13, 2015 8:00 AM Modified: September 13, 2015 9:54 PM

Traverse City fears talent shortage as wage, housing issues keep millennials away

By Lindsay VanHulle



Photo by COURTESY OF TRAVERSE CITY TOURISM Traverse City is a magnet for tourists, but low-paying jobs and a lack of affordable housing make it hard to attract the younger workers who will replace baby boomers.

TRAVERSE CITY — During the summer, Traverse City can feel like a crowded metropolis, with traffic jams and lines for restaurant seats and parking spaces downtown — just the sort of place said to attract the younger workers critical to future growth.

The crowds, though, are largely tourists. The city itself has just 15,000 permanent residents. Grand Traverse County, as a whole, has not quite 90,000, roughly the same number who live in Canton Township.

And although the local economy is thriving in many ways, the county faces a looming attrition wave of baby boomers and stands a real chance of losing the talent wars if it can't figure out how to attract new younger workers to live there full time.

Low-paying jobs and a lack of affordable housing are two of the culprits.

Too few rental units in the city center have created a serious housing crunch — especially among millennials, the generation loosely defined as born between the early 1980s and early 2000s. That is driving up rent prices, lengthening waitlists and contributing to a labor shortage that worries employers.

"Housing is one of the big things underlying the skills gap or the talent shortage, particularly when you're talking about younger workers," said Sarah Lucas, regional planning department manager for **Networks Northwest**, a Traverse City-based firm that assists with workforce and business development across 10 counties.

"We hear often — almost daily — about businesses who can't fill jobs because they can't find people who have the skills to work them.

"At the same time, we hear from young people who want to live up here, are able to find jobs up here but ... can't take the job because they can't find a place to live. Or, it's too expensive, or they have to drive too far from the place they can afford."

What young professionals need is workforce housing, said Allison Beers, 36, owner of the Traverse City-based meeting and event planning firm **Events North** and chairwoman of the **Traverse City Young Professionals** networking group.

"With a lot of the jobs paying \$25,000 to \$35,000, you can't afford a \$1,400-a-month apartment — or, if you are, you're living with four people," Beers said. "We have a lot of great, beautiful places in town, but they are high-end condos. And so for young people, they want to live where they can work and walk and bike and come downtown and have dinner and go run an errand."

Beers said she hasn't heard of people who haven't taken jobs because they can't find housing. But she does know of people who move 15 minutes from downtown because that's the closest they can afford to live and of people who post to Facebook in search of roommates when leases expire.

"We need to get ahead of it before it is an issue," she said.



Photo by JOHN RUSSELL Allison Beers of **Traverse City Young Professionals** knows of people who move 15 minutes from downtown Traverse City because that's the closest they can afford to live.

Grand Traverse County employment change, 2005 to 2013

Industry	Total workers 2005	Total workers 2013	Change
Health care/social assistance	7,552	8,971	1,419
Retail trade	7,774	7,545	-229
Accommodation/food services	4,901	5,738	837
Manufacturing	4,709	4,601	-108
Professional, scientific, technical services	2,492	2,111	-381
Construction	2,804	1,968	-836
Finance and insurance	1,926	1,962	36
Other services (except public administration)	1,848	1,773	-75
Administrative, support, waste management/remediation	2,571	1,637	-934
Wholesale trade	1,357	1,445	88
Educational services	711	866	155
Information	1,006	737	-269
Transportation and warehousing	576	610	34
Mining, quarrying, oil/gas extraction	343	501	158
Real estate/rental/leasing	595	428	-167
Management of companies and enterprises	763	413	-350
Arts, entertainment, recreation	839	408	-431

Utilities	208	100-249	N/A
Industries not classified	20-99	0-19	N/A
Agriculture, forestry, fishing and hunting	20-99	100-249	N/A
Total	43,068	42,016	-1,052

**Sorted highest to lowest based on number of employees in 2013.*

Source: U.S. Census Bureau

Uphill climb

Addressing the talent shortage will be critical as Traverse City and surrounding communities in the northwestern Lower Peninsula deal with recession-era growing pains.

Traverse City has fewer workers than it did close to a decade ago, before the recession sent many of them packing in search of jobs, according to data from the **U.S. Census Bureau's American Community Survey**. Many positions also aren't paying enough to keep pace with inflation. Even some better-paying positions may go begging. Business leaders are concerned about an aging group of engineers and machine operators nearing retirement without a full pipeline of younger workers to replace them.

Like many small and rural towns across the country, Traverse City faces an uphill climb because of young professionals' preference to live in dense, metropolitan cities, said Lou Glazer, president of the Ann Arbor-based think tank **Michigan Future Inc.**, which studies talent retention amid the transition to an information economy.

Large tech and professional companies, except in health care and education, typically don't set up in small towns because they don't have a large enough talent pool, Glazer said.

"Knowledge-based employers, even though they have to pay higher wages — and obviously, they'd rather not pay higher wages — are concentrating in bigger metros because that's the only place they can find a concentration of workers," he said.

"Raising wages or lowering housing costs are two ways to change the value proposition, but I don't know that that's enough."

The region's chamber of commerce is trying to address the attrition problem through new efforts to promote living and working in northern Michigan. But solving the affordable-housing problem remains the top policy priority.

Attracting people to tourism and hospitality jobs can be harder, Glazer said, since those workers often have higher transportation costs because they live farther from work and don't have access to public transit.

A minimum-wage worker would need to work close to two full-time jobs to afford a two-bedroom apartment at market rates in Grand Traverse County, estimated at \$825 a month this year, according to data from the Washington, D.C.-based **National Low Income Housing Coalition** included in a recent housing study by Networks Northwest. To afford that rent on a standard 40-hour week, a person would need to earn at least \$15.87 an hour or about \$33,000 a year.

Yet that income would be out of reach for most of the region's service workers, according to American Community Survey data: Median annual earnings for a retail worker were \$18,287 in 2013, the most recent year available. Lodging and food service workers earned \$13,682 and employees in entertainment or recreation jobs \$20,442.

An affordable rental in Traverse City is generally considered to cost about \$650 a month, Lucas said. Data in the Networks Northwest report suggest that people in Grand Traverse County making 30 percent of the 2015 area median income of \$69,200 could afford to pay \$519 in monthly rent.



Lou Glazer: Young people don't set up in small towns.

Grand Traverse County residents who earn \$11.25 an hour, estimated to be the mean hourly wage for workers who rent, could afford to pay \$585 per month.

"Most people right now are trying to figure out how to handle the affordable-housing issue," said Laura Galbraith, executive director of Traverse City-based **Venture North Funding & Development**, the region's economic development agency. "The talent attraction piece is still kind of segmented by industry.

"We will have to be more innovative."

Grand Traverse County median earnings by industry, 2009 to 2013

Industry	Median earnings (2013)	Median earnings (2009)	Change
Management of companies and enterprises	N/A	N/A	N/A
Professional, scientific, technical services	\$47,631	\$38,885	\$8,746
Arts, recreation, entertainment	\$20,442	\$13,286	\$7,156
Transportation and warehousing	\$43,510	\$36,435	\$7,075
Finance and insurance	\$47,533	\$40,983	\$6,550
Wholesale trade	\$39,318	\$32,888	\$6,430
Educational services	\$35,388	\$31,522	\$3,866
Health care and social assistance	\$31,381	\$28,188	\$3,193
Mining, quarrying, oil/gas extraction	\$52,679	\$50,433	\$2,246
Information	\$34,745	\$32,653	\$2,092
Manufacturing	\$38,585	\$37,866	\$719
Public administration	\$45,278	\$44,985	\$293
Other services except public administration	\$22,083	\$22,339	-\$256
Accommodation and food services	\$13,682	\$14,057	-\$375
Civilian employed population 16 and older	\$28,267	\$28,703	-\$436
Administrative, support, waste management	\$22,122	\$23,203	-\$1,081
Construction	\$31,289	\$33,000	-\$1,711
Retail trade	\$18,287	\$21,056	-\$2,769
Real estate/rental/leasing	\$27,435	\$35,185	-\$7,750
Utilities	\$42,734	\$53,810	-\$11,076
Agriculture, forestry, fishing, hunting	\$12,385	\$24,914	-\$12,529

Source: U.S. Census Bureau

The housing problem

Both Traverse City and greater Grand Traverse County are made up mostly of owner-occupied homes.

Traverse City has more than 2,500 rental units within city limits or about 39 percent of the city's total occupied housing stock, according to 2013 data from the American Community Survey. The data don't break down to show how many of those are downtown or how many might be seasonal.

More than half of renters in the city — 58 percent — pay \$750 a month or more to lease an apartment or house. The median monthly rent is \$808.

In Grand Traverse County, which has about 8,500 rental units, rentals make up just a quarter of all occupied housing. Renters countywide also pay more than in the city — nearly 65 percent pay at least \$750 per month, and median monthly rent is \$847, ACS data show.



Sarah Lucas: Local governments can help.

Northwest's study.

That figure can increase to 45 percent for housing and transit combined, Lucas said. In some places in the northwestern Lower Peninsula, she added, some people pay 60 percent or more of their income on those two expenses.

"We try to focus on the need to locate new housing development near employment, near schools, near shopping, so people have the option to walk or bike to work," Lucas said, adding that it's a long-term solution.

"We're seeing what happens when you don't do that."

Rental housing statistics for Traverse City and Grand Traverse County, 2013

	Traverse City Grand Traverse County	
Total occupied housing	6,434	34,655
Owner-occupied housing	3,903	26,147
Rental-occupied housing	2,531	8,508
Percentage of housing that is rental	39.30%	24.60%
Total households paying rent	2,480	8,134
No rent paid	51	374
Less than \$200	25	29
\$200-\$299	203	377
\$300-\$499	270	561
\$500-\$749	545	1,899
\$750-\$999	745	2,646
\$1,000-\$1,499	615	2,185
\$1,500 or more	77	437
Median rent (dollars)	\$808	\$847

Source: U.S. Census Bureau

Advocates of affordable housing say the shortage of rentals is not isolated to Traverse City. Housing costs have a disproportionate impact on people who work in Traverse City but live farther out — particularly those with lower incomes — because of the added transportation and energy costs.

Many people in rural areas choose to live there because rent can be cheaper, but they often have no reliable public transportation and rely on propane heat. Networks Northwest said propane can cost three times as much as natural gas in some rural counties, including Kalkaska and Antrim.

In its study, the agency found the problem has been exacerbated by both demographic shifts and policy choices.

Most new home construction in the region has emphasized single-family homes on large rural lots, its authors wrote. But the demand for rentals is rising faster than units are being built — from seniors trying to downsize, families with lingering economic constraints keeping them from buying a home and young professionals who are delaying marriage and kids.

"At its simplest, the phrase 'affordable housing' simply refers to housing that costs 30 percent or less of a household's income," wrote the authors of Networks

Growing sector

The rental crunch makes it more challenging for employers to land new hires.

An exception to the rule might be health care. It was the fastest-growing employment sector in Traverse City over much of the past decade, according to American Community Survey data.

Galbraith of Traverse City's economic development agency said health care consistently has been a growing industry that may have had an easier time recruiting doctors or nurses with attractive pay — unlike, say, construction or manufacturing, which are just beginning to pick up after the recession.

Overall, though, the region is struggling to attract and keep a talented workforce.

The Traverse City area's jobless rate, while lower than the state's, has been dropping steadily for several years. But so has the size of its labor force — from a peak of 78,812 in 2006 to 74,833 in 2014, the most recent year available in state records.

That would indicate potential employees are leaving the area or dropping out of the workforce altogether, which happens when the unemployed stop looking for work. The labor force has ticked upward slightly since 2012 but remains below the prerecession peak.

The region's economy is still heavily tourism-based, much of it during the summer. In fact, a third of the city's total employment pool in 2013 consisted of workers in three industries: retail; lodging and food service; and arts, recreation and entertainment, according to the American Community Survey.

At least seven of the 10 mostwanted job postings by occupation in the region for July were in retail or other service fields, encompassing retail clerks and supervisors, housekeepers, cooks, food service supervisors, customer service representatives and waiters, according to data from the **Michigan Department of Technology, Management and Budget**.

In total, 69 percent of the postings required less than a college degree. Truck drivers and registered nurses were the two most in-demand positions.

Restaurants and other service employers are having a hard time finding housing for their workers, particularly those who need short-term seasonal housing. But the issue also affects professional and management employees, Lucas said.

Glazer of Michigan Future said places like Traverse City are challenged to maximize their tourism economies while building other sectors, such as agriculture, health care, education and some small-scale manufacturing.

It will be tough for the city — and smaller towns like it — to attract major companies to set up corporate headquarters or offices in fields such as finance, telecommunications and software development because of their limited talent pool, he said.

"None of that's going to small towns," Glazer said. "To some degree, they're stuck."

Yet, he added, "For northern Michigan, they're in better shape than anywhere else because they are more attractive."

Unemployment rate for Traverse City labor market area, 2000 to 2014

Year	Geography	Labor Force	Employment	Unemployment	Jobless rate
2014	Michigan	4,750,000	4,402,000	348,000	7.3
2014	TC LMA	74,833	69,847	4,986	6.7
2013	Michigan	4,728,000	4,306,000	422,000	8.9
2013	TC LMA	73,830	67,652	6,178	8.4
2012	Michigan	4,671,000	4,244,000	427,000	9.1

2012 TC LMA	72,537	66,144	6,393	8.8
2011 Michigan	4,687,000	4,198,000	489,000	10.4
2011 TC LMA	73,283	65,692	7,591	10.4
2010 Michigan	4,799,000	4,194,000	605,000	12.6
2010 TC LMA	75,020	65,940	9,080	12.1
2009 Michigan	4,904,000	4,234,000	670,000	13.7
2009 TC LMA	76,671	67,499	9,172	12
2008 Michigan	4,921,000	4,529,000	392,000	8
2008 TC LMA	77,263	71,512	5,751	7.4
2007 Michigan	5,011,000	4,659,000	352,000	7
2007 TC LMA	78,126	72,821	5,305	6.8
2006 Michigan	5,077,000	4,721,000	356,000	7
2006 TC LMA	78,812	73,710	5,102	6.5
2005 Michigan	5,083,000	4,739,000	344,000	6.8
2005 TC LMA	77,832	72,966	4,866	6.3
2004 Michigan	5,062,000	4,706,000	357,000	7
2004 TC LMA	76,686	71,649	5,037	6.6
2003 Michigan	5,028,000	4,667,000	361,000	7.2
2003 TC LMA	75,182	70,227	4,955	6.6
2002 Michigan	5,017,000	4,702,000	315,000	6.3
2002 TC LMA	73,419	69,037	4,382	6
2001 Michigan	5,120,000	4,855,000	265,000	5.2
2001 TC LMA	73,768	69,963	3,805	5.2
2000 Michigan	5,163,000	4,976,000	186,000	3.6
2000 TC LMA	74,065	71,310	2,755	3.7

Source: Michigan Department of Technology, Management and Budget

Paying more?

A wage survey hasn't been done in several years, Galbraith said, but anecdotally she has heard that some employers are beginning to pay more in an effort to compete for talent.

She said some employers are offering pay above Michigan's \$8.15 base wage, to the tune of \$9 to \$12 an hour.

Still, that's not the \$15.87 hourly rate that Networks Northwest identified as necessary just to afford a market-rate apartment.

So what to do?

Lucas of Networks Northwest said local governments can help by amending zoning rules to incentivize smaller homes or affordable units, such as offering payments in lieu of taxes to private developers.

Traverse City has an ordinance on the books that allows developers to build one additional market-rate unit for each affordable unit they include in a multifamily building, she said, but it's voluntary and hasn't yet been used.

Other possible policy changes: Launching partnerships between developers and nonprofit housing agencies to integrate more units into planned projects; creating a public housing trust fund with a dedicated revenue source that can subsidize affordable-housing development; and encouraging construction of new upscale rentals, rather than condos, to free up cheaper apartments for lower-income tenants.

"I think we all know what the problems are. We're just trying to get our hands around how to fix it," said Rob Bacigalupi, executive director of the city's **Downtown Development Authority**. "One agency can't solve them all, but hopefully together we can."

Lindsay VanHulle: (517) 657-2204. Twitter: @LindsayVanHulle

Use of editorial content without permission is strictly prohibited. All rights Reserved 2015 www.craigslistdetroit.com

FORUM: TALL BUILDINGS

Tall buildings are the 'Grand Vision'

BY RICK KORNDORFER

Here we are yet again. Once more our city has the opportunity to grow and prosper with the development of a mixed-use building on the corner of Front and Pine streets. Once more the naysayers rise up in opposition. It's never easy.

Maybe that's part of the allure of our fair city. People are engaged. They take time to express themselves, to get involved. The debate becomes heated, often emotional for some. Rational and irrational thoughts are expressed.

The city gives pause, makes a decision and life returns to normal. Things change, we evolve as people, as a community. In the end we usually all



Korndorfer

stay friends. We accept the outcome and move on. Things are never radically different, just different.

This particular development goes back a long way for me. In the '80s and '90s I was involved in a small successful business downtown. I was asked to become a member of the Downtown Development Authority. I accepted. We hired Bryan Crough as our executive director. In 1990 I participated in a community visioning process along with business and community leaders, governments, nonprofits, clergy, etc. It was called "Grand Traverse 20/20."

Our charge: look at our county and determine what we hoped to see by the year 2020. What growth did we envision? How best to manage it? The outcome was clear. More than 85 percent of participants wanted the same thing: preserve our open space, our farmlands and forested areas; stop the blight of urban sprawl; and encourage more

dense development in our cities and villages.

Almost 20 years later in 2008 we did it again. It was called "The Grand Vision" and it encompassed a larger geographical area with more participants and more communities and governmental agencies. We hired professionals from Oregon to lead us. It was all-inclusive democracy at its finest with more than 12,000 participants.

The results were nearly identical to the first study. In the Grand Vision process, more than 80 percent of citizens said they wanted vibrant and dense cities and villages with affordable housing options and green energy connected by a transportation system that included trails and transit. This would protect our natural resources and preserve farmlands for a thriving food and farming community.

So here we are, a proposed development is before us that will do exactly what we want. This

project will allow more people to live in our city, more commerce to be conducted, businesses will locate here, jobs will be created, the apartments and condos will have only one car-park per unit. It will be all inclusive. It will house the affluent American next door to the employed person working downtown. Workforce housing is part of this plan.

That corner has been nothing more than a parking lot for the 40 plus years I've lived here. An opportunity exists to make it grand. Let's do what we all said we're going to do. Let's implement the Grand Vision and make our city even more vibrant than it already is. Let's say "yes" to people and commerce.

About the author: Rick Korndorfer is a second-term DDA board member, a Central Neighborhood resident and a realtor. Korndorfer has lived in Traverse City for the past 40 years and owns property downtown.

Tall buildings stack up to a bad idea

BY JACK LANE

A nine-story building in downtown Traverse City is a terrible idea.

It will put money in the pockets of the owners of the property and the developers. That's it. Never mind all the song and dance going on — it's money in the pockets of a couple of people. Period.

At the same time, it will alter the skyline and the feel of this city that the other 90,000 of us who live here love. Worse yet, it could begin to kill the golden goose of why people love coming to and living in our gorgeous, vibrant little city.

Do we need low-income subsidized housing? Absolutely. But this doesn't magically go hand-in-hand



Lane

with building a nine-story building. Is downtown density such a great idea that taxpayers should spend millions of dollars on infrastructure upgrades — streets, utilities and parking — to accommodate it? And then hand out years of future tax forgiveness to developers to make it "economically" feasible? What?

Here's the real view: we're living in an economic "wild wild west" moment where the most important member of any development team is the person who knows where all the public subsidies are. Tax abatements, Brownfield money, Section 8 housing grants, federal programs, state initiatives and any and all emerging public money resources all come from the same fountain of "let the public pay for my development."

And here's the best part: many of these handouts are decided by local commissions whose members

often have a limited economic background. Thus, they vote this taxpayer money into a project based mostly on the strength of the developer's song and dance routine in front of the commission.

What happened to free markets determining good ideas from bad ideas? There already are old school risk-your-own-money developers breaking ground on large apartment projects near the city. They've bought reasonably priced land and are building apartments because they've done their homework and realize a market need for it. They're not asking for millions of dollars in handouts to make it happen. Bravo! I hope they do well.

The nine-story building is absurd on every level I can think of. I could go on about the eventual decline in downtown values when supply outstrips demand. Or the absurdity of every new develop-

ment needing a publicly funded parking deck. Or the congestion. But let's keep it basic here. These developers are asking all of us to forever alter the look of our city — and to fund most of it so they can put more money in their pockets. Plain and simple.

I've sold real estate in this lovely town for 27 years. I've done development. I can perform financial analysis of a project from here to Tuesday. This is about putting money in very few pockets while changing the look and feel of our town forever — and I'm not buying any part of their song and dance. Not the little songs, not the big songs.

About the author: Jack Lane is a broker for Real Estate One and has worked in the industry for 27 years. He hosts a weekly radio show titled "Ask the Real Estate Guy with Jack Lane" and has sold more than \$100 million in real estate during his career.

TRAVERSE CITY DDA SIX YEAR CAPITAL IMPROVEMENT PLAN Budget Year 2015-2016 by Fund											
	Project Type	Carry Forward 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Funding Sum	Other Funds	Project Cost

**TAX INCREMENT FINANCING FUND
TIF 2**

Cass & Lake: Streetscape Improvements	Capital	\$0	\$272,750	\$0	\$0	\$0	\$0	\$0	\$272,750	\$622,750	\$895,500
Eighth Street Bridge Repair	Maintenance	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$750,000	\$900,000
South Cass Street Bridge Repair (+TIF97)	Maintenance	\$0	\$66,000	\$0	\$0	\$0	\$0	\$0	\$66,000	\$66,000	\$132,000
Carnegie Building Improvements (+General Fund)	Maintenance	\$0	\$170,000	\$0	\$0	\$0	\$0	\$0	\$170,000	\$0	\$170,000
Total TIF 2		\$150,000	\$508,750	\$0	\$0	\$0	\$0	\$0	\$658,750	\$1,438,750	\$2,097,500

TIF 97

200 Block Alley Enhanced Improvements	Visionary	\$0	\$0	\$817,000	\$0	\$0	\$0	\$0	\$817,000	\$0	\$817,000
Civic Square	Visionary	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$1,000,000	\$5,000,000	\$6,000,000
East Front Street, 300 Block Mid-Block Crosswalk	Capital	\$0	\$55,000	\$0	\$0	\$0	\$0	\$0	\$55,000	\$0	\$55,000
East Front Streetscapes (Boardman to Grandview Parkway)	Capital	\$0	\$0	\$0	\$257,500	\$0	\$0	\$0	\$257,500	\$657,500	\$915,000
Farmers Market	Capital	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000	\$0	\$400,000
Garland Street Reconstruction/streetscapes	Capital	\$1,315,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,315,000	\$400,000	\$1,715,000
Grandview Parkway Pedestrian Crossing	Visionary	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$500,000	\$0	\$500,000
Lower Boardman River Enhancements	Visionary	\$0	\$0	\$700,000	\$0	\$0	\$0	\$0	\$700,000	\$0	\$700,000
North Cass Street Bridge Repair	Maintenance	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000	\$935,000	\$1,035,000
Park Street Bridge Repair	Maintenance	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000	\$750,000	\$900,000
Pine Street Pedestrian Way	Capital	\$1,360,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,360,000	\$0	\$1,360,000
Public Restrooms at Lot O	Visionary	\$0	\$0	\$316,000	\$0	\$0	\$0	\$0	\$316,000	\$0	\$316,000
South Cass Street Bridge Repair(+TIF2)	Maintenance	\$0	\$0	\$0	\$66,000	\$0	\$0	\$0	\$66,000	\$786,000	\$852,000
South Union Street Bridge Repair (+TIF2 only if extended)	Maintenance	\$0	\$0	\$0	\$0	\$102,500	\$0	\$0	\$102,500	\$0	\$102,500
Uptown/West Front Riverwalk for Union Street Dam to West Front Bridge	Capital	\$0	\$0	\$710,000	\$490,000	\$0	\$0	\$0	\$1,200,000		\$1,200,000
West Front Street Bridge Replacement	Maintenance	\$220,000	\$0	\$0	\$0	\$0	\$0	\$0	\$220,000	\$1,100,000	\$1,320,000
West Front Street Redevelopment (BOND)	Capital	\$0	\$800,000	\$750,000	\$700,000	\$700,000	\$700,000	\$700,000	\$4,350,000	\$2,250,000	\$6,600,000
Total TIF 97 CIP		\$2,895,000	\$1,255,000	\$3,293,000	\$3,163,500	\$802,500	\$800,000	\$700,000	\$12,909,000	\$11,878,500	\$24,787,500

Total TIF 97 excluding visionary

TOTAL TAX INCREMENT FINANCING FUND CIP	\$3,045,000	\$1,763,750	\$3,293,000	\$3,163,500	\$802,500	\$800,000	\$700,000	\$13,567,750	\$13,317,250	\$26,885,000
---	--------------------	--------------------	--------------------	--------------------	------------------	------------------	------------------	---------------------	---------------------	---------------------

HARDY DECK FUND BALANCE

Hardy Deck Balance

Park Street Streetscapes	Capital	\$515,000	\$0	\$0	\$0	\$0	\$0		\$515,000	\$0	\$515,000
Park Street Entrance	Capital	\$300,500	\$0	\$0	\$0	\$0	\$0		\$300,500	\$0	\$300,500
Auto Parking System Total		\$815,500	\$0	\$0	\$0	\$0	\$0	\$0	\$815,500	\$0	\$815,500
TOTAL TIF and HARDY DECK FUND BALANCE		\$3,860,500	\$1,763,750	\$3,293,000	\$3,163,500	\$802,500	\$800,000	\$700,000	\$14,383,250	\$13,317,250	\$27,700,500

The TIF 2 Plan also allows:

- Public Restrooms
- Public Art
- Park Improvements

The TIF 97 Plan also allows:

- Convention Center Parking Deck
- Bayfront Plan Improvements within TIF 97 District
- Park Improvements
- Hannah Park Pedestrian Bridge
- 100 East State Parking Structure
- Boardman Street Pedestrian Bridge
- Streetscape Improvements
- Boardman River Riverwalk and Mooring
- Street, Alley and Sidewalk Improvements

We can spend these funds on:

- Park Street Entrance/ Restrooms
- Parking in TIF 97
- Streetscapes in TIF 97

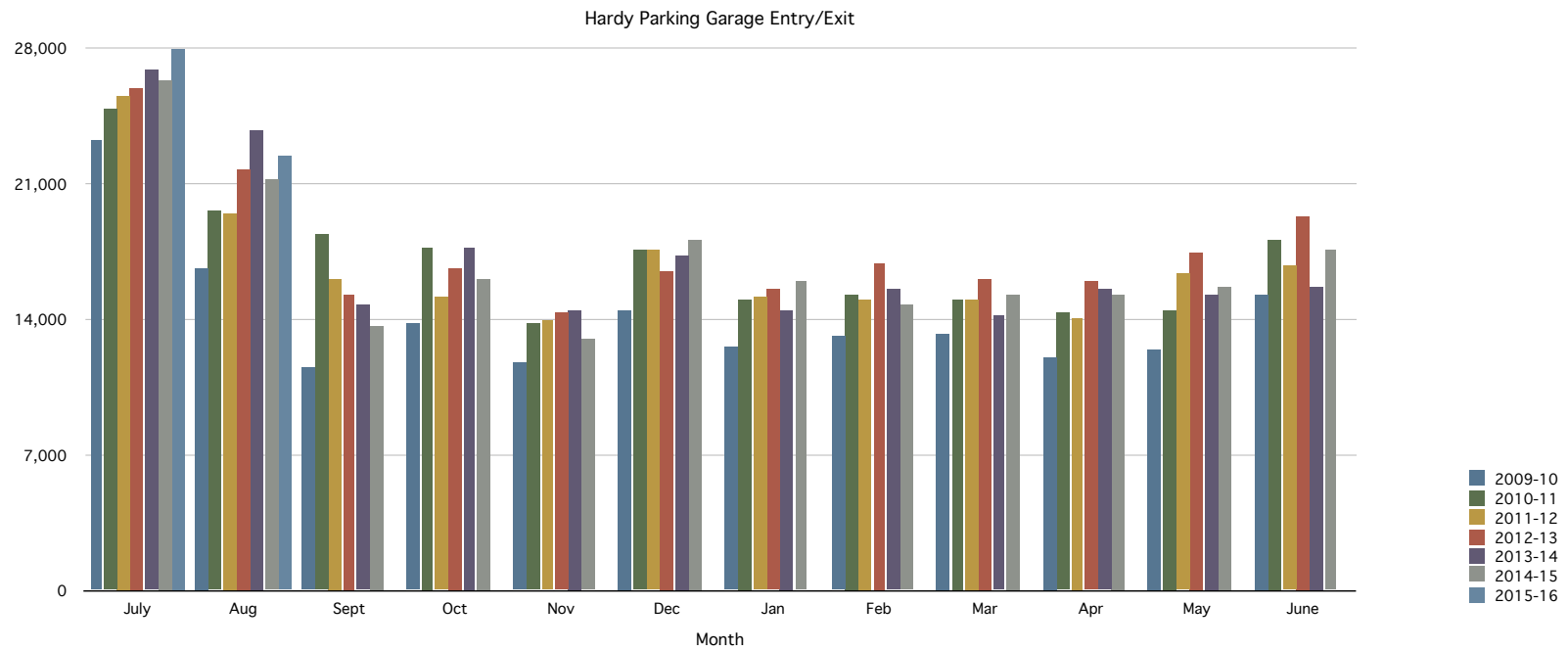


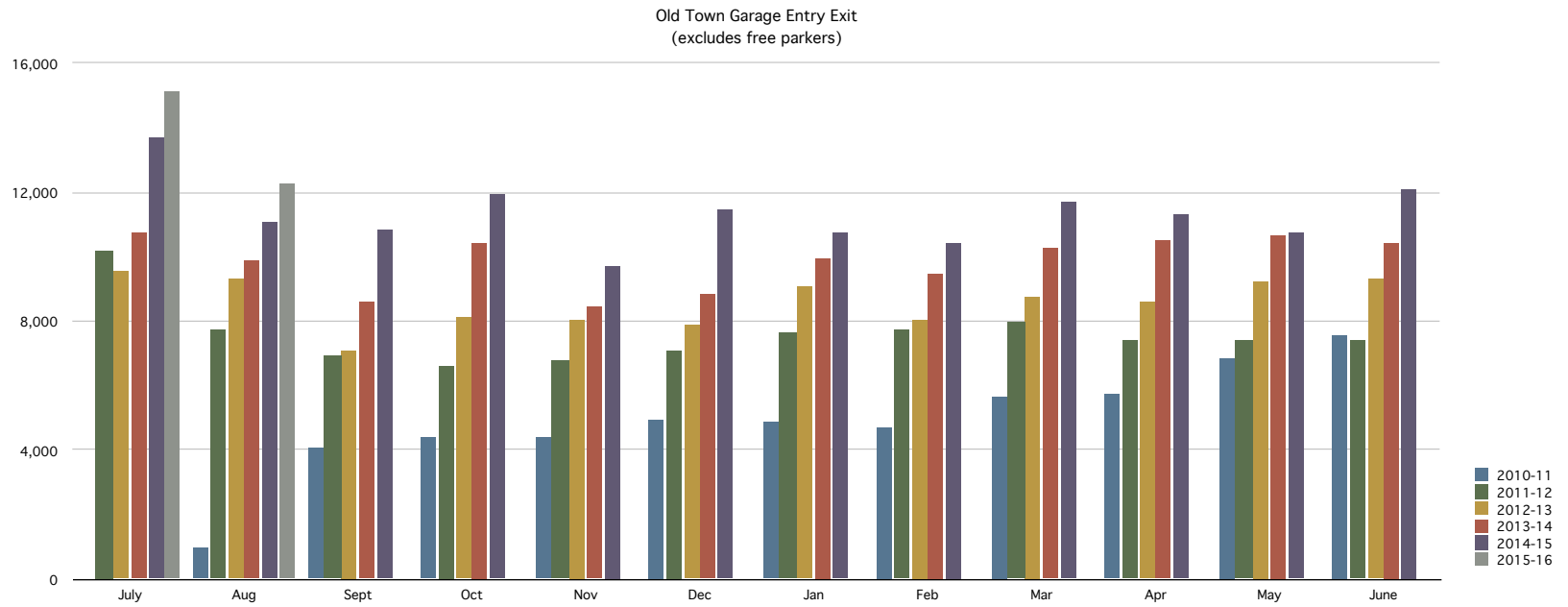
Memorandum

To: Rob Bacigalupi, DDA Executive Director
From: Nicole VanNess, Parking Administrator
Date: August 17, 2015
Re: Parking Services Updates – September 2015

Currency Counting Devices RFB – Update

The RFP for a coin counting device and optional currency counting device has been issued by the Purchasing Department. Bids are due no later than October 6th. The DDA Board has already approved the purchase not to exceed \$16,000. We will provide an update once we issue a PO.





**Downtown Traverse City Association
Regular Board Meeting
August 13, 2015**

Minutes

Present: Kim Bazemore, Allison Beers, Jeff Guntzviller, Jeff Joubran, Jake Kaberle, Dave Leonhard, Misha Neidorfler

Absent: Bright, McGee

Staff/Others: Rob Bacigalupi, Colleen Paveglio, Benjamin Marentette

1. **Call to Order:** President Joubran called the meeting to order at 8:36 a.m.
2. **Approval of Minutes of the DTCA Board Meeting of July 9, 2015:** Minutes from the July 9, 2015 board meeting were approved as presented upon motion by Leonhard and second by Beers. Motion carried unanimously.
3. **Mobile Food Vending Review** with City Clerk, Benjamin Marentette.
 - a. Joubran and Paveglio to meet with Marentette in the fall to discuss sidewalk cafes, code enforcement requests for weekends/holidays
4. **Marketing Report**
 - a. **Art Fairs**
 - i. Old Town Arts & Crafts Fair
 - ii. National Cherry Festival Arts & Crafts Fair
 - iii. Downtown Art Fair
 - iv. Art in the City
 1. Motion by Beers, seconded by Neidorfler that the DTCA Board of Directors approve funds from the Restricted Public Art Fund in a not to exceed amount of \$2,000 for projects related to Art in the City.
 - v. Thanks to McMillen's for sponsoring the Old Town and Downtown Art Fairs
 - b. **Street Sale**
 - i. August 7
 1. Positive Feedback
 - ii. Question review of Street Sale Survey
 1. Joubran and Leonhard to review before sending to merchants
 - c. **Friday Night Live**
 - i. August 7 – August 28
 - ii. Sponsors include Hagerty, ABC 29&8, MyNorth
 - d. **Art Walk**
 - i. Deadline for participation is August 15
 - e. **Fall Sale/Happy Apple Days/Halloween Walk**
 - i. October 3

- 1. Apple bushel sign to be sent soon
- ii. Downtown Halloween Walk
 - 1. Moved to a Saturday morning: 10 am to 11:30 am

f. Shop Your Community Day

- i. Registration forms and applications from non-profits due August 15

g. Miscellaneous

i. Social Media

- 1. Facebook: Over 11,800
- 2. Instagram: Almost 5,600
- 3. Twitter: Over 9,300

ii. Sara Hardy Downtown Farmers Market

- 1. Advisory Board seeking feedback on food trucks and coffee at the market
 - a. The DTCA Board was not in favor of the either options on market days

5. Committee Reports

a. Public Restroom Committee

- i. Subway, Espresso Bay, Great Lakes Bath & Body, Milk & Honey and Morsels will be presented to the DDA Board on August 21, 2015

b. Holiday Committee

- i. Paveglio to set a meeting of the Holiday Committee in the near future
 - 1. Joubran and Guntzviller

c. Review & Search Committee

- i. Presented to DDA Board on August 21 and brought to DTCA Board in September

6. President's Report (*Joubran*)

- a. None at this time

7. DDA Report (*Bacigalupi*)

a. Financial Report

- i. No Financials at this time

b. DDA Report (*Bacigalupi*)

- i. 305 West Front
- ii. Bumpout
- iii. Farmers Market
- iv. WiFi

8. New Business

a. West End Grand Opening

- i. Bill O'Brien present representing the Chamber
 - 1. Scissors and ribbon
- ii. Scavenger hunt, photo contest, photo booth, face painting
- iii. Committee: Beers, Bazemore, O'Brien, Kaberle

9. Adjournment

- a. Motion to adjourn at 9:58 a.m.